

Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-12 EA-06 ISO-00 EB-07 XMB-02 COME-00 L-02

OPIC-03 AID-05 FRB-03 OMB-01 /042 W

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R 081049Z APR 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 5627

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: EFIN, NL

SUBJ: GENTLEMEN'S AGREEMENT ON EXPORT CREDITS

REF: STATE 064908; HAGUE 1555

1. ON APRIL 2 WE CONTACTED FINANCE MINISTRY OFFICER RESPONSIBLE FOR COORDINATING GON POSITION ON GENTLEMEN'S AGREEMENT (LEDEBOER) TO INQUIRE RE GON INTENTIONS TO EXCHANGE NOTES MENTIONED PARA 2 DEPTTEL. LEDEBOER, WHO HAD JUST RETURNED FROM FAR EAST TRIP, SAID HE HAD NOT BEEN ABLE TO FOCUS ON THE SUBJECT BUT, OFFHAND, SAW NO IMPEDIMENT TO SUCH EXCHANGE (LEDEBOER WAS NOT FAMILIAR WITH POSITION TAKEN BY HIS DEPUTY AT LAST MEETING). HOWEVER, HE SAID THAT QUESTION IN EFFECT IS SOMEWHAT ACADEMIC IN CASE OF NETHERLANDS, SINCE THERE ARE NO GOVERNMENT OR QUASI-GOVT INSTITUTIONS IN HOLLAND IN THE EXPORT CREDIT BUSINESS. (FYI: EXPORT LIMITED OFFICIAL USE

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CHANNELS OR VIA EFM, A SPECIALIZED PRIVATE CONCERN OWNED BY A CONSORTIUM OF DUTCH COMMERCIAL BANKS (50 PERCENT) AND THE NATIONAL INVESTMENT BANK (ITSELF 50 PERCENT STATE OWNED). ANOTHER PRIVATE ORGANIZATION, NCM, EXTENDS EXPORT CREDIT INSURANCE, WITH REINSURANCE BY GOVT ONLY ON POLITICAL AND TRANSFER RISKS AND RISKS OF PROTRACTED DEFAULT IN LDCS, WE ARE TOLD ALL EXPORT CREDITS GRANTED BY EFM ARE ON COMMERCIAL TERMS. END FYI). SINCE EMBOFF WAS NOT FAMILIAR WITH PRECISE NATURE OF UNDERSTANDING MENTIONED IN PARA 2 OF DEPTTEL, WE DID NOT PURSUE QUESTION FURTHER WITH LEDEBOER, WHO SAID HE WOULD BE CONSULTING WITH EC COMMISSION PRIOR TO NEXT PRINCIPALS' MEETING.

2. IN TOUR D'HORIZON APRIL 3 WITH MFA DIRECTOR OF OFFICE ON ECON POLICY AFFAIRS, WE LEARNED THAT SOME ELEMENTS OF DUTCH EXPORT COMMUNITY ARE STARTING TO PRESS GON FOR EXPORT CREDIT ASSISTANCE IN ORDER TO BE ABLE TO COMPETE WITH CREDIT TERMS WHICH COMPETITORS IN OTHER COUNTRIES ARE ABLE TO OFFER. THERE IS APPARENTLY GROWING FEELING AMONG DUTCH EXPORTERS THAT NEW MARKETS, PARTICULARLY IN MIDDLE EAST, ARE NOT BEING SUCCESSFULLY PENETRATED BY DUTCH EXPORTERS BECAUSE OF NON-COMPETITIVENESS DUTCH EXPORT CREDIT TERMS. WE ARE UNABLE TO ASSESS MERITS OF THIS CLAIM, BUT DETECT GROWING IMPATIENCE IN SOME QUARTERS OF GON WITH EXPORT FINANCING PRACTICES OF MAJOR COMPETITORS, ESP FRANCE AND, LATELY, UK. GOULD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, CREDIT, AGREEMENTS, DIPLOMATIC NOTES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975THEHA01757
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750121-0818
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750469/aaaacrlr.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 064908, 75 HAGUE 1555
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GENTLEMEN'S AGREEMENT ON EXPORT CREDITS
TAGS: EFIN, NL
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006